

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7402

BILL NUMBER: HB 1348

NOTE PREPARED: Feb 26, 2007

BILL AMENDED:

SUBJECT: Umbilical Cord Blood Bank.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR: Sen. C. Lawson

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a public umbilical cord blood bank operated by the State Department of Health. The bill requires hospitals to offer new parents the option of donating umbilical cord blood following the birth of a newborn. It also requires the State Department of Health to implement an umbilical cord blood initiative to promote awareness of the ability to donate umbilical cord blood. The bill also requires physicians and hospitals to inform pregnant patients of the option to donate umbilical cord blood.

Effective Date: July 1, 2007.

Explanation of State Expenditures: This bill requires the State Department of Health to establish and operate a public Umbilical Cord Blood Bank. The Department is required to adopt rules concerning the procedures and requirements for collecting and maintaining cord blood donations. The public Umbilical Cord Blood Bank is required to collect and maintain cord blood donations at no charge or cost to the donors. The bill further specifies that hospitals and providers may not charge the patient for collection, storage, or donations to the public Umbilical Cord Blood Bank. (There are privately operated cord blood banks that collect and store umbilical cord blood for individuals.) The bill specifies the end users of the donations and provides that 90% of the donations must be allocated and stored for transplant purposes.

The bill also requires the Department to establish a public awareness initiative to promote the importance of donating to a public cord blood bank and the opportunity to donate umbilical cord blood on the birth of an infant. The public awareness campaign must include the distribution of written materials containing specified information to specified persons and licensed facilities.

Ultimately the cost of this bill will be determined by the General Assembly. [See the discussion below on how other states have funded these initiatives.]

The New York Blood Center, one of the largest public cord blood banks with about 35,000 cord blood units, reports that processing a unit of cord blood costs between \$1,000 and \$2,000 depending on how it is collected and stored, and the location of the bank itself. This bank reported that operations "about break-even" since they have such a large inventory of units. Most of the nearly two dozen public banks in the country rely on private donations to operate.

Federal initiatives are making limited funding available with the intent of increasing the national inventory of cord blood units available. The U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), awarded \$12 M in grants this year to the first group of cord blood banks to begin collections for the National Cord Blood Inventory (NCBI). A second round of competitive grants is planned for 2007.

Several states have funded the startup and operations of state-sponsored cord blood banks. New York announced construction of a new \$10 M umbilical cord blood bank to be operated by the State Health Department's Wadsworth Laboratory with about 20 employees.

Texas started the Texas Cord Blood Bank with a \$1 M startup grant, promising up to \$3.5 M in matching funds for the facility. The facility has been raising funds in the community and recently was awarded another \$1.2 M in state matching funds. Texas officials reported that the program needed to collect about 6,000 units to be financially self-sustaining.

New Jersey appropriated \$2.5 M annually in April 1998. However, in 2006 the appropriation and the authorizing language was discontinued.

Explanation of State Revenues:

Explanation of Local Expenditures: County-owned hospitals would be required to offer each maternity patient the option of donating the cord blood following delivery at the facility.

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected:

Information Sources: Associated Press article of Oct. 16, 2006, "Increased Supply Could Help Treat Leukemia, Other Diseases", posted on <http://www.msnbc.msn.com/id/15285941/> ; " CNY Lands \$10 M Blood Center", The Post-Standard, at www.syracuse.com/business/poststandard/index.ssf?/base/, and "Blood Bank Celebrates Stem Cell Lifelines", Express-News, at www.mysanantonio.com/news/metro/stories/.

Fiscal Analyst: Kathy Norris, 317-234-1360.